

*Scenic  
Oils Ltd.*

INTERIM REPORT

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JUNE 30, 1968

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Share Capital

Authorized	— 5,000,000 shares
Issued and fully paid	— 2,342,000 shares



## To the Shareholders

We are pleased to submit an Interim Report for the first six months of 1968.

Net income increased to \$4,319 for 1968 as compared to \$2,148 for 1967. Revenue and cash flow show slight decreases for the half year of 1968 compared to 1967. Statements of Income and Source and Use of Funds with comparative figures for 1967 are shown below in this Report.

Production income was obtained from holdings in the Kaybob, Willesden Green and Garrington areas of Alberta. The Company

has an interest in 7,028,120 gross acres amounting to 178,129 net acres in Alberta and the Arctic Islands.

Scenic Oils Ltd. holds 1,249,759 shares or 50.5% of the issued and outstanding shares of Canadian Gridoil Limited and we are enclosing for your information the Interim Report for June 30, 1968 of that company.

*P. C. Mitchell*

President.

Calgary, Alberta  
August 12th, 1968.

### STATEMENT OF INCOME

For the Six Months  
Ended June 30  
(unaudited)

	1968	1967
REVENUE		
Production Income . . . . .	\$22,773	\$22,141
EXPENSE		
Operating . . . . .	8,339	7,098
Interest . . . . .	674	1,015
	<u>9,013</u>	<u>8,113</u>
CASH FLOW FROM OPERATIONS . . . . .	13,760	14,028
DEPLETION AND DEPRECIATION . . . . .	9,441	11,880
NET INCOME . . . . .	<u>\$ 4,319</u>	<u>\$ 2,148</u>

### SOURCE AND USE OF FUNDS

SOURCE OF FUNDS		
Net Income . . . . .	\$ 4,319	\$ 2,148
Depletion and depreciation . . . . .	9,441	11,880
Cash flow from operations . . . . .	<u>13,760</u>	<u>14,028</u>
USE OF FUNDS		
Exploration and Development . . . . .	9,183	124
Decrease in long term debt . . . . .	6,250	7,500
	<u>15,433</u>	<u>7,624</u>
WORKING CAPITAL INCREASE (Decrease) . . . . .	<u>\$ (1,673)</u>	<u>\$ 6,404</u>

### LAND HOLDINGS

Gross Acres Net Acres

Alberta . . . . .	10,878	1,131
Arctic Islands . . . . .	7,017,242	176,998
TOTALS . . . . .	<u>7,028,120</u>	<u>178,129</u>